

MINUTES  
STATE BOARD FOR COMMUNITY AND JUNIOR COLLEGES AND  
MISSISSIPPI ASSOCIATION OF COMMUNITY AND JUNIOR COLLEGES  
JOINT MEETING WITH MGT OF AMERICA, INC.  
November 14, 2002

The State Board for Community and Junior Colleges (SBCJC) and the Mississippi Association of Community and Junior Colleges (MACJC) met in the ETV Auditorium at 1:30 p.m. on Thursday, November 14, 2002, to receive the results of a study of the current community and junior college funding formula and recommendations for the future completed by MGT of America, Inc.

The following members were present: Major General Denver Brackeen, Mrs. Sara Fox, Mr. Napoleon Moore, Mr. George Walker, Mr. Lawrence Warren, and Mrs. Brenda Yonge.

Members Absent: Dr. Dorothy Nelson, Ms. Patricia Randall, Mrs. Veldore Heidelberg, and Mr. Jimmy Murphy.

SBCJC staff present included: Dr. Wayne Stonecypher, Ms. Debbie Borgman, Dr. Randall Bradberry, Dr. Larry Day, Mrs. Deborah Gilbert, Mrs. Sandra Lucas, Mrs. Helen Nelms, Dr. Evelyn Webb, and Ms. Frankie Walton-White.

Guests Present: Coahoma Community College – Dr. Vivian Presley, Ms. Rosetta Howard, Ms. Wanda Holmes, and Dr. Jerome Shaw. Copiah-Lincoln Community College – Dr. Howell Garner, Dr. Ronnie Nettles, and Dr. Paul Johnson. East Central Community College – Dr. Phil Sutphin, Ms. Donna Luke, Mr. Joe Killens, Mr. Mickey Vance, Mr. Gene Davis, and Mr. John Adcock. East Mississippi Community College – Dr. Tommy Davis and Dr. Ed Davis. Hinds Community College – Dr. Clyde Muse, and Mr. Jimmy Smith. Holmes Community College – Mrs. Jan Reid-Bunch, Mr. Dale Lewis, and Mr. Steve Caldwell. Itawamba Community College – Mr. Jerry Senter. Jones County Junior College – Dr. Ronald Whitehead and Dr. Jesse Smith. Meridian Community College – Dr. Scott Elliott and Mrs. Pam Harrison. Mississippi Delta Community College – Dr. Magdalena Abraham. Mississippi Gulf Coast Community College – Dr. Hal Higdon, Mr. Jerry Bryan, and Mrs. Cheryl Thompson. Northeast Mississippi Community College – Dr. Charles Chance. Pearl River Community College – Dr. William Lewis and Mr. Roger Knight. Southwest Mississippi Community College – Dr. Horace Holmes. Mississippi Department of Education – Ms. Pauline Childs. Institutions of Higher Learning – Mr. Pete Walley. Legislative Budget Office – Mr. Randy Sanders.

Chairman, Mr. George Walker called the meeting to order at 1:30 p.m., and welcomed all present to the meeting. Mr. Walker introduced MACJC Chairman, Dr. Tommy Davis. Dr. Davis, on behalf of the MACJC, thanked the SBCJC for inviting the MACJC presidents to attend the presentation of the MGT report.

Dr. Wayne Stonecypher welcomed everyone present and introduced the SBCJC members present. He also recognized the members of the Funding Study Advisory Committee and asked them to stand.

Dr. Stonecypher then turned the meeting over to SBCJC Associate Executive Director, Mrs. Deborah Gilbert, who chaired the study committee. Mrs. Gilbert gave a brief

overview of how the study mandated in House Bill 1612 came about and the process utilized by the committee in choosing a consultant to complete the process. She then introduced Dr. Mary McKeown-Moak of MGT of America, Inc. for presentation of the study recommendations.

Dr. McKeown-Moak utilized a PowerPoint presentation to deliver the study's fourteen recommendations. A copy of the presentation is attached as Exhibit A. Dr. McKeown-Moak thanked everyone present for attending and for the input offered to her during the study. She stated that MGT began the study by examining the current model and developed guiding principles to assist in the evaluation process. The study also examined what other states are doing in the area of funding. Currently 42 states are using funding formulas in resource allocations processes, and 22 states recognize economies of scale while other states relate allocations to the cost of delivering services.

Dr. McKeown-Moak reported that MGT evaluated the following components outlined in House Bill 1612 and developed the following recommendations:

1. In examining the Current Base – The base is equal to 5% of the prior year's appropriation, is not related to actual fixed costs, is unstable, and is not adaptable to economic conditions. Most Mississippi colleges are not large enough to take advantage of economies of scale.

**RECOMMENDATION 1: Modify the current base to an amount equal to a statistically determined base.**

2. Current Classifications – The current classifications (academic, technical, and vocational full-time; virtual community college; part-time; and associate degree nursing), understood by policy makers, are typography and are valid for reporting purposes. Other states do not classify students by this typography and do not use one method of counting "full-time" and another for "FTE."

**RECOMMENDATION 2: For purposes of funding, it is not necessary to continue the classification of students as full-time and part-time. For purposes of reporting, the classifications should be maintained, and the count reported consistently. Counts should continue to be audited. For purpose of funding, it is not necessary to continue the classification.**

3. Weighting – No other state counts for full weighting only the number of resident students enrolled for 12 or more hours in the fall semester. This practice is not consistent with the mission of the colleges, and the principles of equity, goal-based, and being responsive. A Best Practice is the use of weights where the weight is related to the cost of providing the service. Mississippi's weights are not related to the costs of programs and funding should be equal for equal services. High cost programs should be identified based on national data. There is currently no data on cost of programs identified by CIP code, and a best practice would be based on data-based costs.

**RECOMMENDATION 3: SBCJC should develop a system to collect credit hour data for summer, fall, and spring semesters for all students, with data reported by CIP code. A Committee should develop definitions and rules for reporting; data should be audited.**

**RECOMMENDATION 4:** All credit hours earned by Mississippi resident students enrolled in the summer, fall, and spring terms should be reported by program, and weighted at 1.0, except for associate degree allied health programs. Credit hours should be converted to FTES at the ratio of 24:1. Credit hours and associated degree allied health programs should be reported separately.

**RECOMMENDATION 5:** The number of full-time equivalent students in associate degree nursing programs shall continue to be weighted at 2.19 in recognition of the high cost of such programs and their importance to the State.

**RECOMMENDATION 6:** The number of full-time equivalent students in associate degree allied health programs shall be weighted at 2.19 in recognition of the high cost of such programs. After 5 years, the data should be reviewed to determine if other programs merit classification as high cost programs.

**RECOMMENDATION 7:** There should be no differentiation between the weights for academic, vocational, and technical students except as noted for associate degree allied health programs, although the count of credit hours should continue to differentiate students by these categories.

**RECOMMENDATION 8:** If post-secondary vocational and technical education is moved from the Mississippi Department of Education to the SBCJC, the SBCJC should re-examine the allocation of those funds and phase-in funding allocations on a full-time equivalency basis.

4. Beginning in FY 2003, weights are 1.0 for students at academic campuses; 0.95 at comprehensive centers; 0.85 at extension centers and 0.75 at off-campus sites. Fixed costs are provided for in the base allocation and justification for weights differences has been that costs of delivery at off campus sites is lower. The need for additional centers is consistent with the changing mission of the colleges. A Best Practice is to provide equitable funding for equivalent services.

**RECOMMENDATION 9:** Eliminate the percentages for campuses, centers, and off-campus sites, as defined in the SBCJC "Guidelines." All sites should be weighted equally.

5. The SBCJC Funding and Formula Study Committee recommended converting funding to an FTE basis, using 24 credit hours as equivalent to 1 FTE, and to phase-in the change over 5 years. Dr. McKeown-Moak stated that this is consistent with Best Practice operation.

**RECOMMENDATION 10:** Adopt a full-time equivalent funding formula, phased in over three years.

- Year 1 – (current base + 1/3 of the difference between the new and current base) + {1/3(amount determined by FTES) + 2/3 (amount under current formula)}
- Year 2 – (current base + 2/3 of the difference between the new and current base) adjusted for inflation + {2/3(amount determined by FTES) + 1/3 (amount under current formula)}
- Year 3– new base adjusted for inflation + 100% of the amount determined by FTE count

**This method phases in the changes to permit each college to adapt to the new funding level.**

6. Currently each county is required by law to levy minimum of one mill for both maintenance and capital improvements. The variation in ability of the counties to provide local funding for colleges varies from \$164,316 assessed value per student to \$1,585,171 per student. This variation creates inequities in funding. If counties could be required to levy 2 mills, it would provide an addition stable funding source for the colleges. This would require 42 Mississippi counties to increase taxes to reach the 2 mill contribution; however, it is unlikely at this time that the Legislature would increase taxes.

**RECOMMENDATION 11: Make no change at this time to the way in which counties provide support for community and junior colleges. Delegate to the SBCJC Funding and Formula Study Advisory Committee the responsibility to conduct a study of the merits of using an equalization formula to distribute state aide.**

7. Workforce Training – Each College receives \$300,000 for operation of One Stop Career Centers. There is a need for additional funding for workforce training programs.

**RECOMMENDATION 12: Make no change to the application and award process used by the SBCJC for distribution of workforce training and other specialized training funds.**

8. Administrative Fees charged by the colleges for workforce training – Several colleges charge administrative fees for specialized workforce training and perception is such that charging a fee is inequitable to industry. A balance is needed between state funding for economic development that encourages private sector responsibility. Charging administrative fees is within federal and state laws. Other states provide state funding, and also charge industries for specialized training.

**RECOMMENDATION 13: Continue to permit colleges to charge administrative fees. Ask the Funding and Formula Study Advisory Committee to review the issue of administrative fees and recommend a range for acceptable fees.**

9. Centers for Advanced Skills Training – Three colleges receive funding for Centers for Advanced Skills Training. There are 32 other states that provide funding for advanced workforce skills training. It is likely that all colleges are providing training that may merit special funding to meet the needs of the State. The funding of the centers is not large, but had been well leveraged. The guiding principles of “equity” and “adaptable to special situations” suggest review and sunset of current centers.

**RECOMMENDATION 14: Make no changes to the level of funding for Centers for Advanced Skills Training. Require all Centers to be subject to sunset review. Provide an opportunity for any college to apply for funding to meet state or local needs.**

Dr. McKeown-Moak presented the following explanation for implementation of an FTE formula:

- **Allocation to each college = Base + \$amount times the number of full-time equivalent students.**
- **\$amount is computed by subtracting the total base amount from the appropriation, and dividing the remainder by the statewide total of full-time equivalent students.**
- **FTES = sum of summer, fall, and spring credit hours divided by 24, with additional weight for students in associate degree allied health.**

Dr. Chance thanked Dr. McKeown-Moak for the fine work done on the study and for presenting the recommendations.

Dr. McKeown-Moak then opened the floor for questions. On the issue of equalization, Dr. William Lewis asked if further study would be done on raising the minimum millage levied by counties from 1 to 2 mills. Dr. McKeown-Moak stated that in current United States economic times, the state might not be able to go to that type of equalization process and recommended that the issue be studied further.

Dr. Clyde Muse, on the issue of equal millage, stated that research needed to be done on how to share wealth and convince local counties to raise taxes in their local areas. He stated that we do not need to take money from small colleges who don't have as many part-time students.

Dr. Muse stated that before he could support the study recommendations, he would need to see figures on how they would affect his institution. Mrs. Gilbert stated that the purpose of the meeting today was to receive the recommendations from MGT, and that spreadsheets would be prepared showing allocation scenarios based upon the recommendations at a later date.

Mrs. Gilbert distributed a copy of a Memorandum of Agreement to the presidents and asked that each college review the recommendations and submit any response to those recommendations to her by November 21, 2002. The Advisory Committee will take the responses and review them as they move forward.

Mrs. Gilbert thanked Legislative Budget Office Analyst, Mr. Randy Sanders, for attending the meeting.

Chairman George Walker stated that prior to the meeting today, the SBCJC had been contacted by Governor Ronnie Musgrove's office. The Governor has released his proposed budget plan for the State for FY 2004 and had planned to have his assistant Mrs. Kelly Riley attend the meeting to discuss the education section with the group. Dr. Wayne Stonecypher gave the group a brief report concerning the Governor's budget for education.

Mr. Walker reported on an agenda item related to participation in the NIST project whereby the colleges might share in the program and receive reimbursement for workforce training projects by providing some in-kind match. The partnership would also require that the SBCJC utilize \$400,000 in workforce training funds as a "cash" match on a project by project basis.

Mr. Dale Lewis of Holmes Community College, announced that Dr. Starkey Morgan has suffered a stroke and asked that the group remember him in their thoughts and prayers.

Dr. Clyde Muse commended IHL staff member, Mr. Pete Walley, for his efforts related to working out the details of the partnership with the Mississippi Technology Alliance, to ensure that the program would meet the goals of securing additional workforce funding with minimal paperwork.

Mr. Walker suggested that the presidents be invited to a special meeting set for December 12, 2002, to further discuss the recommendations outlined in the MGT study. This will allow additional information to be forwarded to each college for review and hopefully a consensus between the MACJC and SBCJC could be reached before the presentation is given to the Legislature in January, 2003.

Mr. Walker gave the group a brief report on the State Workforce Development Council's members meeting with the Federal Workforce Investment Act Board of Directors. He stated that great progress is being made to ensure that both bodies work together to provide training through the community colleges.

The meeting adjourned at 2:50 p.m.